Westpac New Zealand Staff Superannuation Scheme Newsletter March 2015

Welcome to the first ever quarterly newsletter

So why are we providing this newsletter?

In the recent member survey you asked us for regular updates, easy-to-read information and news about your investment performance.

This newsletter is yours. We would love to hear your views on a suitable name for the newsletter, along with any ideas on the content we should include in future editions. If you respond by 8 May, you will go into a draw to win a $50 Prezzy card.

Bruce Kerr,
Chairman

Click HERE to give your views

What's happened in the markets?

Shaken and stirred – a volatile end to 2014

Global markets were shaken in the final quarter of 2014 thanks to a host of events such as the plunge in commodity prices and political tensions in Russia and Greece. Increases in market volatility were accompanied by the return of investor risk aversion, with defensive sectors outperforming growth assets during the quarter.

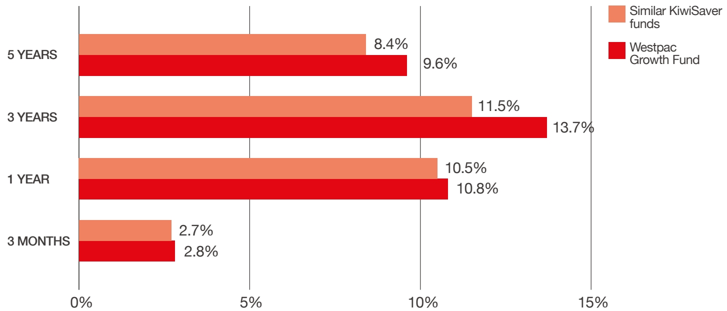
In New Zealand, although business confidence pulled back from the lofty heights in the middle of the year, the economy is still looking relatively robust. General business confidence remains above average, with businesses reporting activity increases over the past few months, signalling stable GDP growth.

Performance versus peers

How does your Scheme compare against KiwiSaver?

The chart below compares returns for the Scheme's Growth Fund with the median (or middle) return from KiwiSaver schemes with a similar asset mix.

Westpac Growth Fund versus similar KiwiSaver funds as at 31 December 2014



Source: Mercer, returns are after fees and before tax.

Investment performance as at 31 December 2014	3 Months	6 Months	3 Years pa
Cash Fund	1.0%	2.0%	–
Defensive Fund	1.8%	3.4%	6.8%
Moderate Balanced Fund	2.6%	4.8%	11.3%
Growth Fund	3.0%	5.6%	14.3%
High Growth Fund	3.5%	6.6%	18.4%

Source: Mercer, returns are before fees and taxes

Will you have enough come retirement?

Overseas holidays, fishing trips, diving, painting, boating – we love the idea of retiring and doing the things we have dreamed about.

But will you have saved enough when retirement arrives?

Many Kiwis don't think about how much they will need to live on in retirement until they get closer to the time. Leaving it until later can be unwise, however. This is for the simple reason that building a retirement nest egg can take a long time and requires discipline, especially if you have big aspirations for your retirement!

For example, a 50-year-old female with $30,000 in super who wants to retire at age 65 on $1000 per week will need an additional lump sum of $508,564 at retirement.[1] To achieve this goal she will need to save $358 per week. This example highlights one important point in retirement planning - never put off something for tomorrow that you can do today.

To find out how much you will need in your retirement, it is strongly recommended you try Sorted's retirement calculator or phone 0800 942 822 to speak with a Westpac authorised financial adviser (AFA).

[1] Source: sorted.org.nz

Cutting through the jargon

Fixed interest security (or bond): Governments and companies issue bonds when they need capital. An investor who buys a government bond is lending the government money. If an investor buys a corporate bond, the investor is lending the company money. The government or company agrees to pay the investor a specific rate of interest for an agreed period and to pay back the amount borrowed at the end of the period.

YOUR SUPER CHECKLIST

Here's a simple checklist to help ensure your accounts in the Scheme are in good shape.

- [ ] **Review your investment strategy**
  Remind yourself which investment option you've chosen and check that it suits your needs. If you require help, follow the link to the Sorted investment planner. You may not need to change anything, but it's worth checking regularly to make sure you're on track to meet your goals.
- [ ] **Seek advice on your financial needs**
  If you are unsure of your investment strategy or retirement goals, you can seek advice from one of Westpac's AFA advisers.
- [ ] **Nominate your beneficiaries**
  When you joined the Scheme you were given a nomination of beneficiaries form. It's important that you complete this to let the Trustees know who you would like them to consider as the recipient(s) of any death benefit from the Scheme.